

ARTICLE 8

SECTION 1

MEDI-CAL FAMILY BUDGET UNIT

1. GENERAL

This section contains regulations for determining the Medi-Cal Family Budget Unit (MFBU). It describes responsible relative criteria. It identifies eligible and ineligible members of the MFBU and specifies who may be excluded from the MFBU.

2. RESPONSIBLE RELATIVES

The responsibility of a relative to contribute to the cost of health care services of a Medi-Cal applicant or beneficiary shall be limited to spouse for spouse and parent for child. A caretaker relative as defined in Article 8, Section 5 is not considered to be a responsible relative.

A. Spouse for Spouse

- 1) Spouses are responsible for each other when:
 - a) Both spouses live together in the home; or
 - b) One or both spouses are in LTC/B&C and both are MI or AFDC MN; or
- 2) Spouse for spouse responsibility is for the month of admission to LTC/B&C only, when one or both spouses are in LTC/B&C and one or both are ABD. In this situation, spouse for spouse responsibility ends on the last day of the month of admission.

B. Parent for a Child

A parent is responsible for a child when the child:

- 1) Lives in the parent's home.
- 2) Lives out of the parent's home and the child is both:
 - a) A tax dependent of the parent, and
 - b) 18 to 21 years old.
- 3) Is married even if the child is a parent and lives either in or out of the parent's home, when the child is both:
 - a) A tax dependent of the parent, and

b) 18 to 21 years old.	
4) <u>EXCEPTION</u> : Parents of a child have no responsibility when the child is applying for Minor Consent services.	
3. <u>MEDI-CAL FAMILY BUDGET UNIT</u>	
The Medi-Cal Family Budget Unit (MFBU) is the basic unit of persons considered in determining a person's or family's Medi-Cal eligibility and share-of-cost.	MEM 50371
A. <u>Family Members</u>	
Family members for Medi-Cal purposes are:	
1) Persons living in the home:	
a) A child or sibling children, including an unborn. (Verification of pregnancy must be on file.)	MEM 50041
b) The parents, married or unmarried, of the sibling child(ren).	
c) The stepparents of the sibling child(ren).	
d) The separate child(ren) of either unmarried parent or of the parent or stepparent.	
e) If there are no children, family members means a single person or a married couple.	
2) Person(s) temporarily absent from the home:	
Persons temporarily absent from the home because of hospitalization, visiting, vacation, trips in connection with work, or for similar reasons, are considered living in the home.	MEM 50371
3) <u>Public Assistance Recipients</u>	
Family members who are PA or Other PA recipients, and persons eligible for four months, <u>Edwards</u> v. <u>Kizer</u> (38) or TMC continuing eligibility, are eligible to receive Medi-Cal benefits under the PA or Other PA program. Therefore, they will not be part of the MNO MFBU, except for four months, <u>Edwards</u> v. <u>Kizer</u> (38) and TMC continuing eligibles.	MEM 50373 ACWDL 92-65
B. <u>Status of Family Members</u>	
Family members may be eligible or ineligible members of the MFBU or may be excluded from the MFBU per 3.B.3) below.	

1) Eligible MFBU Members

Eligible MFBU members are entitled to receive Medi-Cal benefits. Their income and property are considered for eligibility and share-of-cost determinations.

2) Ineligible MFBU Members

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a) Reasons for Ineligibility

Persons are considered ineligible members of the MFBU when they:

- (1) Refuse to apply for a Social Security number.
- (2) Refuse to apply for Medicare.
- (3) Refuse to apply for and accept unconditionally available income.
- (4) Are unable to meet the basic eligibility criteria for any of the Medi-Cal programs.
- (5) Refuse to cooperate with the Medical Support Enforcement Program without good cause.

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b) Circumstances of Ineligibility

Persons in the following circumstances are ineligible members of the MFBU:

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- (1) Persons receiving Medi-Cal as four month, Edwards v. Kizer (38) or TMC Continuing Eligible.
- (2) Persons 21 or over and under 65 who are not blind, disabled, pregnant, and are not linked to AFDC.
- (3) Minor parents living with their parents are ineligible members of the MFBU that includes the minor parent's child(ren), (except when the minor parent wishes to receive only minor consent services). Minor parents who wish to receive Medi-Cal, other than minor consent services, shall be included in the MFBU with their parents.
- (4) The parent of the separate child(ren) in a stepparent case is an ineligible member of the separate child(ren)'s MFBU (see Article 8, Section 3).
- (5) Parents who reside outside the State and who claim their child(ren) residing in the State as dependent(s) in order to receive a tax credit or deduction for state or federal income tax purposes are ineligible members of their child(ren)'s MFBU.

- (6) The following persons shall be ineligible members of the MFBU when a person 18 to 21 years old is claimed by his/her parent as a dependent in order to receive a tax credit or deduction for state or federal income taxation:
 - (a) The spouse, child(ren) and parent(s) of the married child claimed as a tax dependent are ineligible members of the MFBU which includes the tax dependent.
 - (b) The person 18 to 21 years old claimed as a tax dependent is an ineligible member of the MFBUs which include either his/her parent(s) or his/her spouse and child(ren).
- (7) An infant under the age of one year receiving benefits through the 200% Special Program MFBU (Reference: Art. 5, Sec. 12). These infants are treated as ineligible members of the MI/MN MFBU. Although treated as ineligible members of the MFBU, they are able to link parents to Medi-Cal as AFDC-MN.
- (8) Children age one up to age six receiving benefits through the 133% Special Program MFBU. These infants are treated as ineligible members of the MI/MN MFBU. They are able to link parents to Medi-Cal as AFDC-MN.
- (9) Children receiving State-only AAP-AAC are ineligible members of the MFBU. They are considered to be medically indigent not medically needy.
- c) Special Consideration

A child who is otherwise eligible or ineligible for any of the reasons listed in 2)a) or 2)b) may be treated as an ineligible member of the MFBU or may be excluded from the MFBU in accordance with Article 8, Section 3. This choice is the option of the person who has legal responsibility for the child. In either case, the child may **not** link parents to Medi-Cal as AFDC-MN. To treat an otherwise eligible child as ineligible, obtain all forms and verifications as required for an eligible person, but use an "M" PC Code and narrate the request.
- d) Persons who are ineligible members of an MFBU may not receive a Medi-Cal card through that MFBU. Ineligible members will:
 - (1) Have their income included in eligibility and share-of-cost determinations;
 - (2) Have their property counted in eligibility computations;

- (3) Have their medical expenses used to meet the share-of-cost for the MFBU.
 - (4) Not be considered in determining the program for which persons included in the MFBU are eligible.
- 3) Excluded MFBU Members
 - a) The only family members that may be excluded from the MFBU are:
 - (1) A child of any age (i.e., from one day old to 21 years old) who either (a) refuses to provide information about his/her own income or property, or (b) chooses to not receive Medi-Cal. Whenever a child is excluded from the MFBU, the parent or caretaker relative must be provided the excluded child statement, form MC 239 SN-3. The ET is required to provide the form to the parent or caretaker relative; however, if the form is not returned, narrate in the case record that the form was provided and not returned. Continue to exclude the child from the MFBU as requested, but do not deny or discontinue other family members based on non-receipt of the MC 239 SN-3. Send Automated Letter 920 to the applicant.
 - (2) Members of a stepparent unit other than the parent of the child requesting Medi-Cal shall be excluded from the MFBU.
 - (3) The unmarried father of an unborn when the unmarried father lives with the pregnant woman and she wants Medi-Cal ONLY for herself and/or her separate children.
 - (4) Children receiving federal AAP with or without a cash grant are excluded from the MFBU because they are receiving Public Assistance or other Public Assistance.
 - b) Excluded members are not eligible to Medi-Cal benefits. Excluded members may not:
 - (1) Apply separately, except for Minor Consent Services, for which they may receive benefits;
 - (2) Be included in the MFBU for eligibility or share-of- cost determinations;
 - (3) Have their medical expenses used to meet the MFBU's share-of-cost.
 - (4) Be considered in determining the program for which persons included in the MFBU are eligible.
 - c) The property of excluded family members will not be counted in determining the eligibility of the MFBU.

d) The income of excluded MFBU members will be treated as follows:

- (1) The income of an excluded child(ren) will not be counted in determining the share-of-cost for the MFBU. An allocation of income may be made to an excluded child(ren), but not when the child is excluded because parents refuse to provide income information. See MPG Article 10, Section 5, Item 6D for instructions on calculating the allocation to an excluded child.

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- (2) The income of the members of a stepparent unit will be treated in accordance with MPG Article 10, Section 3.

C. Changes in the MFBU

Changes in the MFBU may be made at the request of the applicant/beneficiary. Changes may be reflected in the month the changes are reported if it is to the beneficiary's advantage. Any advantage shall be explained to the beneficiary. The beneficiary shall determine whether the change shall be reflected in the month it is reported. MPG Article 12, Section 1 describes how to make changes and adjustments.

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APPENDIX A

MFBU COMPOSITION

Once the potential members of the MFBU have been identified, the MFBU may be determined in accordance with the following per MEM 50373 (5):

Family members living in the home who are not PA or Other PA recipients:	MFBU:
1. Individual adult.	1. Individual adult.
2. Individual, spouse.	2. Individual, spouse.
3. Parent, children.	3. Parent, children.
4. Both unmarried parents, mutual children.	4. Both unmarried parents, mutual children.
5. Both unmarried parents, mutual children of either or both parents.	5. Both unmarried parents, mutual children, separate children, except that when all the mutual children are excluded in accordance with Section 50381, each unmarried parent and parent's separate children shall be in a separate MFBU.
6. Parent, spouse, mutual children.	6. Parent, spouse, mutual children.
7. Parent, spouse, mutual children and/or separate child of either or both parents.	7. Parent, spouse, mutual children, separate children or the parent and the separate children of that parent if the conditions of 50375 are met.
8. Minor parent, minor parent's children, the minor parent's parent and that person's spouse and/or children.	8. Two MFBU's: a. Minor parent as an ineligible member, minor parent's children. b. Minor parent, the minor parent's parent and that person's spouse and/or children [MFBU is determined in accordance with (3) through (7)].
9. Unmarried minor parent, second unmarried parent, their mutual children, separate children of either or both, unmarried minor parent's parent and that person's spouse and/or children.	9. Two MFBU's: a. Unmarried minor parent as an ineligible member, second unmarried parent, separate children of either unmarried parent, mutual children. b. Unmarried minor parent, the unmarried minor parent's parent(s) and his/her spouse and/or children [MFBU is determined in accordance with (3) through (7)].

Family members living in the home who are not PA or Other PA recipients:	MFBU:
10. Married minor parent, minor parent's spouse, their mutual children, separate children of either or both, minor parent's parent and that person's spouse and/or children.	10. Three MFBU's: a. Married minor parent, married minor parent's spouse and children as ineligible members, and married minor parent's parent and that person's spouse as ineligible member(s). b. Married minor parent as an ineligible member, married child's spouse and children. c. Married minor parent as an ineligible member, married minor's parent and that person's spouse and/or children.
11. Child living with the child's parents requesting Medi-Cal for minor consent services, whose application is being processed in accordance with Section 50147.1(d) (3) (D), the child's children.	11. Child and the child's children.
12. Sibling children if all other family members are PA or other PA.	12. Sibling children.
13. Parent, spouse if all children are PA or other PA.	13. Parent, spouse.
14. Sibling children, caretaker relative.	14. Sibling children and caretaker relative, when the caretaker relative chooses to be included.
15. Caretaker relative if all children are PA or other PA.	15. Caretaker relative.
16. Sibling children, caretaker relative, caretaker relative's spouse and/or children.	16. Two MFBU's: a. Sibling children. b. Caretaker relative and his/her spouse and/or children [MFBU is determined in accordance with (3) through (7)].
17. Caretaker, sibling children, caretaker's spouse. (Spouse does not want Medi-Cal or is not eligible.)	17. Caretaker, sibling children.
18. Caretaker, sibling children, caretaker's spouse, their own children. (Spouse has no linkage. Caretaker has linkage only as a caretaker relative.)	18. Two MFBU's: a. Caretaker, sibling children. b. Caretaker and caretaker's spouse as ineligible, their own children.

Family members living in the home who are not PA or Other PA recipients:	MFBU:
19. Caretaker, sibling children, other related sibling children.	19. Two MFBU's: a. Sibling children. (Caretaker has linkage only as a caretaker relative.) b. Other sibling children, caretaker, or c. Sibling children, caretaker. d. Other sibling children.
20. Caretaker, sibling children, caretaker's spouse is PA. (Caretaker has linkage only as a caretaker relative.)	20. Caretaker, sibling children.
21. Caretaker, sibling children are PA, caretaker's spouse, their own children. (Caretaker has linkage only as a caretaker relative or chooses to be linked to related children other than his/her own.)	21. Two MFBU's: a. Caretaker. b. Caretaker as ineligible, spouse, his/her own children.
22. Caretaker, sibling children, caretaker's spouse is PA, their own children. (Caretaker has linkage only as a caretaker relative or chooses to be linked to related children other than his/her own.)	22. Two MFBU's: a. Caretaker, sibling children. b. Caretaker as ineligible member, his/her own children.

Family members not living in the home:	MFBU:
1. Person 18 to 21 when the person is claimed by his/her parent(s) as a dependent in order to receive a tax credit or deduction for state or federal income taxation.	1. Person and parents in accordance with (A).
2. Person 18 to 21, person's spouse and children, and person's parent(s) when the person is claimed by his/her parent(s) as a dependent in order to receive a tax credit or deduction for state or federal income taxation.	2. Three MFBU's: <ul style="list-style-type: none"> a. Person claimed as a tax dependent, person's spouse and children as ineligible members, and person's parent(s) as ineligible member(s). b. Person claimed as a tax dependent as an ineligible member, person's spouse and children. c. Person claimed as a tax dependent as an ineligible member, person's parent(s).
3. Child in foster care.	3. Child.
4. Sibling children in foster care.	4. Each sibling child is in his/her own MFBU even if placed in the same foster home.
5. Child detained or placed by a court or court designated agency under Welfare and Institutions Code Sections 300 or 601.	5. Child.
6. Child not living with a parent or relative for whom a public agency is assuming financial responsibility in whole or in part.	6. Child.
7. Child not living with a parent or caretaker relative when parents or public agencies have been contacted to determine whether they will accept legal responsibility for the children.	7. Child.

APPENDIX B

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TREATMENT OF MFBU MEMBERS

	ELIGIBLE	INELIGIBLE	EXCLUDED
MFBU MEMBER?	YES	YES	NO
INCOME COUNTED?	YES	YES	NO
MFBU PERSON COUNT FOR MAINTENANCE NEED?	YES	YES	NO
PROPERTY COUNTED?	YES	YES	NO
MFBU PERSON COUNT FOR PROPERTY LIMIT?	YES	YES	NO
MEDICAL BILLS COUNT FOR SOC?	YES	YES	NO
IF A CHILD, USED FOR LINKAGE TO AFDC?	YES	NO	NO
APPLY SEPARATELY?	NO*	NO*	NO*
RECEIVE MEDI-CAL BENEFITS?	YES	NO	NO

* EXCEPT MINOR CONSENT

APPENDIX C

QUESTIONS AND ANSWERS REGARDING RESPONSIBLE RELATIVES

- Question No. 1: Is a legally separated couple living in the same home in the same MFBU?
- Answer No. 1: Yes. Couples who are legally separated continue to remain married under California law. If a legally separated couple is living together in the same home, which contains common facilities (i.e., eating, bathing, etc.), the couple would be in the same MFBU. This answer does not apply to cases where one spouse is institutionalized. If a couple is divorced, living together and have children in the home, they are treated as unmarried parents.
- Question No. 2: If an emancipated 19-year-old child living with his/her parents is self-supporting and not claimed by his/her parents as a tax dependent, is he/she in the same MFBU with the parents?
- Answer No. 2: Yes. The use of the term "emancipation" has no bearing on any Medi-Cal determination. Any unmarried or married 19 to 21 year old "child" living with his/her senior parents is in the MFBU with the senior parents and any siblings whether or not he/she is a tax dependent. He/she is an ineligible member of the Section 1931(b) program since he/she is over the age limit for that program. He/she may be eligible for the Medically Needy (MN) or Medically Indigent (MI) programs until age 21. If he/she has a deprived child of his/her own, he/she may be eligible for Section 1931(b) as an adult with his spouse or second parent (if applicable) and the senior parents are not in the MFBU.
- Question No. 3: Can a grandmother who is the legal guardian of a child living in her home be linked to Medi-Cal if the parent of the child is also living in the home?
- Answer No. 3: Yes. The Section 1931(b) program allows a caretaker relative or senior parent who has care and control of an adult parent's child to be aided regardless of whether or not the parent lives in the home. The MN, MI, and the Percent Programs do not allow the caretaker to be aided if the parent is in the home unless the parent is a minor. In this case, the caretaker may be linked to the minor parent, but is not responsible for the minor parent's child. Note: A parent who is only temporarily visiting the home is not considered living in the home.
- Question No. 4: Must an unmarried father of an unborn who lives in the home with the mother of his unborn be included in the MFBU if he does not wish to be aided?
- Answer No. 4: No. If the father has no other mutual children living in the home who are requesting Medi-Cal, he does not have to be included in the MFBU with the mother and his unborn until the child is age one. Since the implementation of Sneede v. Kizer would require that the unmarried parents be in separate MFBUs if there were a share of cost or excess property and the father's income and property would not affect the child under age one (continued eligibility), counties are not required to include the father in the MFBU. However, if the father is unemployed or incapacitated and the mother wishes to be aided past the 60 day postpartum

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period and has no other basis for deprivation, the father may be included in the MFBU.

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Question No. 5 A pregnant mother receiving Supplemental Security Income (SSI) payments is living in the home with the unborn's father and their mutual two-year-old. The father and the two-year-old apply for Medi-Cal. What is the MFBU composition?

Answer No. 5: The father, the unborn, and the two-year-old are living in the same MFBU. The mother is not included because she is receiving public assistance. Note: When the pregnant mother is receiving cash benefits, the unborn is in the same MFBU with the father.

Question No. 6 If an Aid to Families with Dependent Children Foster Care (AFDC-FC) or county foster care child is living with a caretaker relative, may that relative be linked for Medi-Cal benefits?

Answer No. 6: Yes. The AFDC program allows caretaker relatives of children receiving foster care grants to receive AFDC, thus automatic Medi-Cal; therefore, a caretaker relative of these children may also apply for Medi-Cal-only benefits, if otherwise eligible. This would be similar to parents or caretaker relatives that are linked to children who receive Public Assistance (PA), e.g., AFDC or SSI. NOTE: Children who are receiving PA are not in the MFBU with the caretaker relative.

Question No. 7: If the stepparent refuses to cooperate, can the separate child of the spouse receive Medi-Cal?

Answer No. 7: Yes. Under Sneede v. Kizer procedures, the mother would be an ineligible member in the MFBU with her child regardless of whether the stepparent has sufficient income to meet the needs of the stepparent unit. If the mother, mutual children, or his children wish to be aided, the father is required to be in the MFBU.

Question No. 8 If a child is receiving SSI/SSP or CalWORKs, may the parents be linked? If so, what is the MFBU composition?

Answer No. 8 Yes. The parents are alone in the same MFBU. The child who is receiving SSI/SSP or CalWORKs will not be included in the MFBU.

Question No. 9 Can a senior mother living in the home with her daughter and the daughter's baby be linked to her 19-year-old daughter if the daughter and her baby receive CalWORKs or Section 1931(b)?

Answer No. 9 Yes. The senior mother is eligible for the MN Program if her 19-year-old daughter is receiving CalWORKs or Section 1931(b) and is deprived because the MN Program defines a child as a person under 21. The senior mother would be in her own MFBU. Care and control is not an issue for the MN Program if the "children" are under age 21 and living with the senior parent.

Question No. 10	A mother living in the home with only one disabled MN child, age 18, and not enrolled in school requests Medi-Cal. May she use this child for linkage?
Answer No. 10	No. This child is defined in MPG Article 1 as an adult
Question No. 11	A couple has started adoption proceedings for an unrelated child with whom they are living. May this couple apply for Medi-Cal using the child for linkage?
Answer No. 11	No. The couple cannot apply until the adoption is final
Question No. 12	Would two persons of the same sex, who live together are registered as domestic partners, be financially responsible for each other if one or both apply for Medi-Cal?
Answer No. 12	No. Domestic partners are not financially responsible for each other except for any income that they may contribute to the household in excess of their share of the expenses.
Question No. 13	A child between 18 and 21 is away at college and is claimed as a tax dependent. He/She is considered a child for the MN/MI Programs and is included in the MFBU with his/her parents. May the parents use him/her for linkage if the child is deprived?
Answer No. 13	Yes.
Question No. 14	If a deprived child age 19 who is claimed as a tax dependent by his/her parents is living out of state and does not plan to return, may the parents use him/her for linkage?
Answer No. 14	No. This child is not considered to be temporarily absent from the home.
Question No. 15	What are the consequences of excluding a child from the MFBU?
Answer No. 15	Although a parent may allocate some of his/her income to the excluded child, the family size is reduced, which affects the income/property limits for the family. Since Sneed rules would apply if the child has income/property, it may be more beneficial to <u>not</u> exclude the child unless there are other issues involved such as not wanting to pursue medical support. Note: Counties must inform parents about the consequences of excluding a child from the MFBU?
Question No. 16	If a relative of a child had his/her marriage annulled, may the former spouse of the relative be considered a caretaker relative?
Answer No. 16	No. An annulment means that the marriage was invalid and did not exist.